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C O N F I D E N T I A L SECTION 01 OF 02 BEIRUT 000635

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NSC FOR ABRAMS/SINGH/MARCHESE/HARDING

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TAGS: IS LE PGOV PREL PTER SY

SUBJECT: LEBANON: FORMER AMBASSADOR FEARS IRANIAN CONSTRUCTION, URGES FOCUS ON BORDER VICE THE TRIBUNAL

Classified By: Ambassador Jeffrey D. Feltman. Reason: Section 1.4 (b).

SUMMARY

¶1. (C) Former Lebanese Ambassador to the U.S. Simon Karam expressed concerned that an allegedly Iranian-funded and Jihad al-Bina-managed highway linking Shia populations in the south and the Biqa' Valley could raise sectarian tensions and increase Hizballah's area of control. Meanwhile, the country's Shia population continues to blame the Siniora government for failing to reconstruct homes. Karam believes that Hizballah would relish another war with Israel, but not civil war, as supportive of its ultimate objective: political primacy in Lebanon. He also believes March 14 leaders have misjudged Speaker Nabih Berri and have excluded other potential Shia partners, while Berri continues to erode the authority of parliament for his own gain. Too many scarce political resources have been spent trying to pass the international tribunal, Karam lamented, when attention would better be focused on securing and isolating Hizballah from the Syrian border. Finally, Karam passed on a rumor that Bashar al-Assad during a recent meeting in Damascus offered General Aoun the position of Prime Minister in a second cabinet. End Summary.

IRAN, HIZBALLAH LINKING SHIA AREAS, NEGLECTING RECONSTRUCTION

¶2. (C) Former Ambassador Simon Karam told Poloff and Polstaff on May 4 that he is quite concerned about an allegedly Iranian-funded and Jihad al-Bina-managed highway construction project designed to create a "land bridge" between major Shia populations in the south and the Biqa'. Karam, a Maronite from Jezzine, said the \$200 million Iranian-funded construction project has incorporated existing small roads and new construction on public land or land purchased through front entities controlled by the Government of Iran. The project began a few months ago, Karam told us, and runs from the outskirts of Nabatieh to Machghara, West Biqa' (east of Jezzine). Karam explained that Hizballah control of this new territory has the potential to stir up sectarian problems, change the demographic balance in the mixed Sunni, Shia, and Druze settlements of West Biqa', and isolate the Chouf from Druze population centers further east in the Biqa' towns of Hasbayya and Rashaya.

¶3. (C) Karam expressed concern that the GOL and the international community are not adequately focused on what he believes is Iran and Hizballah's primary focus. Hizballah is

neglecting reconstruction in the south and the southern suburbs in favor of this project, Karam assessed, deliberately choosing to slow reconstruction as a way to focus anger against the GOL. (Note: In a separate meeting, moderate Shia Member of Parliament Yassine Jaber told Polstaff that Hizballah has authorized a further \$2000 rent subsidy to families whose homes were damaged during the July war rather than facilitate reconstruction. Jaber also claimed that Iran has flown up to 20,000 Lebanese Shia to Iran for visits since the war. End Note.)

HIZBALLAH'S ENDGAME:
PRIMACY, NOT CIVIL WAR

¶4. (C) Karam believes Hizballah is not contemplating civil war, but rather, their goal is primacy in Lebanon and possibly the establishment of an Islamic state. One shortcut to primacy is a constant state of war -- a war with Israel, not an internal war, Karam clarified -- for which only Hizballah is prepared. War would enfeeble all other political parties, but strengthen Hizballah, as evidenced by even the group's strongest critics' rhetorical support to Hizballah during the July war.

MARCH 14 STILL MISJUDGING BERRI

¶5. (C) The pro-reform March 14 movement does not have a serious Shia policy, Karam lamented. The group bet on Nabih Berri as their primary Shia interlocutor and are now, despite everything, too afraid of infuriating Berri or admitting they have lost their gamble on him to seriously engage other independent Shia leaders who are willing to work with March 14. Current GOL leaders still feel a sense of "Berri

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"nostalgia" and hope that he will "liberate himself" from his ties to Syria and Hizballah. Karam assessed that Berri does not feel coerced by Syria or Hizballah, but is comfortable maintaining the same Syrian contacts he has had since the 2005 withdrawal.

¶6. (C) Although Berri recognized his limitations for a few months following the Syrian withdrawal, he has since gradually grown bolder and diminished the importance of parliament by moving all substantive political dialogue outside it and then closing it down, Karam believes. The majority could reopen parliament now if, for security reasons, they met in a well-guarded alternate location, however the majority is not mobilizing its members or supporters on this issue. Passing the international tribunal under Chapter VII would not make Berri reopen parliament, and would harden Berri and Hizballah's position even more, Karam judged.

POLITICAL RESOURCES BETTER
SPENT ON THE BORDER THAN TRIBUNAL

¶7. (C) Too much scarce political capital has been spent on the issue of the tribunal, Karam told us, when the Siniora government would have been better off securing the border with Syria and checking rampant smuggling weapons, drugs, diesel, criminals, and terrorists across the border. Karam sees a clear Syrian policy since the 2005 withdrawal to bring Lebanon to the brink of chaos so that Syrian troops can reoccupy the country. But what should be more worrying to the U.S., Karam continued, was his conviction that there was a growing convergence between Syrian and Israeli interests in having Syria reoccupy Lebanon. He believes that since the Syrian withdrawal, the gap left by departing Syrian security services has been filled by Iran and Hizballah, rather than the GOL, causing some Israelis to believe that only another Syrian occupation could reestablish security in Lebanon. Instead of focusing scarce political capital on the tribunal,

it would be better to rebuild the broad domestic and international alliance that enabled the Syrian withdrawal.

¶ 18. (C) Denying Hizballah's control of the border with Israel makes it more difficult for the terrorist organization to start another war, and demonstrates the need to isolate Hizballah from the Syrian border as well. Even another crisis would be well worth the cost, Karam told us, if it led to securing the Syrian border with the help of Western and Arab allies and preventing continued Syrian interference. At least a crisis would help consolidate public and international support to re-energize the "grand coalition" of the 2005 Cedar Revolution.

AOUN IN SYRIA?

¶ 19. (C) Finally, rumor has it, Karam told us, that Aoun recently visited Syria, where Bashar al-Asad offered him the post of Prime Minister if President Lahoud appoints a second, rival cabinet. The same rumors say that Suleiman Franjieh refused an earlier offer of the same deal. Karam concluded that a reasonable new president could do much to resolve the deadlock and strengthen the institution of the presidency, hinting at his own interest in the position.

FELTMAN